

Realty Stock Review

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MARKET STRATEGY: DEPRESSED STOCKS AND SEASONED PROPERTY OWNERS BEST FOR 1985

Interest rates are moving down nicely again after a spike upward last month. That's very good for real estate but the distressing part is that the broader stock market hasn't followed thru after Tuesday's 34.78 point advance on the Dow-Jones Industrials. We're skeptical about the overall market in the first half of 1985 because cheaper money since last spring still hasn't brought the DJI back to year-ago levels.

Our performance table (p. 8) shows the DJI down 3.7% in price for the year, vs. a 1.2% decline for all realty stocks. So far cheaper money hasn't helped the Dow break through the 1250 level, which it must do to establish one more bull market leg. So we look for a very choppy market in 1985's first half, with sudden bursts of enthusiasm as rates fall lower still.

Realty stocks have been acting much better than the general market. More realty stocks are hitting new highs than lows, bucking the general market trend (p. 5), and this means that investors see the stronger real estate owners doing very well in a cooler environment where less hyper money will be chasing thin realty deals on vacant buildings. Good realty stocks should do well.

The best performing group in 1984 was Group 6 - Income Property companies with a 14.5% gain to date, followed by Group 8 - Diversified Realty, up 12.0%; Group 2 - Property and Mortgage Combination REITs, up 8.9%; and Group 1 - Property REITs, up 6.3% (see table, p. 8).

Bottom line: in a very volatile and choppy 1984, stocks owning quality assets generally outperformed the market. Since we see more in early 1985, we see no reason to change with one exception: Group 3 - Mortgage REITs may get a big play as rates fall. Last week the first mortgage trust new issue in years, **Strategic Mortgage Investors**, sold double the number of shares its sponsors originally sought, and went to a premium on the NYSE (see review, p. 4). We also have added **Investors GNMA Trust** this issue, which has a similar niche in the increasing securitization of the mortgage markets. Investment bankers say another dozen or so REITs are in the wings, so 1985 likely will be filled with talk of neo-mortgage REITs. Last October 5 we reviewed the mortgage REITs and found some good values. Last week CentTrust Savings, Florida's fourth largest S&L controlled by realty developer David Paul, bought 16% of MassMutual Mtg. and said it wanted to buy 25%. Paul previously took over a former REIT, Westport Co., and used it as the vehicle to acquire CentTrust.

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ASSET PLAY STOCKS: UPDATED REVIEWS OF HALLWOOD GROUP AND SOUTHWEST REALTY LTD

Hallwood Group Inc. preferred was one of the few real estate stocks hitting new highs last week, touching 8-1/2. That's partly because the first annual report of the recently combined entity is making the rounds, and partly because management was in New York City telling its story in conjunction with the annual meeting Dec. 13.

Slowly, this wallflower stock is getting some attention: a London brokerage and now a New York brokerage have written favorable reports (you can get this latest report by writing Ladenburg, Thalmann & Co., Attn. Frank Reinhardt, 540 Madison, New York 10022). ValueLine is about to add HWG to its coverage. We told you so - back last May 25 when we made HWG an Asset Play Stock as an early (7 months) Christmas present. HWG is on track with the business plan we outlined then, with these recent developments:

Merchant banking: HWG intends to sell most properties from its days as a REIT (formerly UMET Properties and Atlantic Metropolitan) and invest funds in restructuring debt of troubled companies, mainly thru discounted rights offerings which were the mechanism for reviving its component REITs. HWG has developed a list of 400 troubled companies in many industries that are prospects. Recent activity:

-- Saxon Oil Co., a troubled oil and gas exploration and production company, was restructured Dec. 14 by HWG thru its subsidiary Interallianz Hallwood (HWG owns 47.5% but receives 66% of profits). HWG received 1.9 mil. Saxon shs. (value about 85¢ or \$1.6 mil.) as fee for its work, plus a \$1.8 mil. cash fee paid over five years; HWG also bought another 1.7 mil. Saxon shs. in the restructuring. This should generate 2¢-3¢ to Jan. quarter EPS.

-- Agreement seems near on restructuring a troubled Swiss hotel company, active mainly in Europe but owner of a troubled hotel (on leased land) in Manhattan. It's too early to estimate timing or magnitude of profits, if any, that might result.

-- The banking industry is targeted for special attention since recent Federal rulings mean that about 170 banks must boost capital to new minimums. Several, such as BankAmerica Corp., have announced prospective sale of their headquarters buildings to beef up capital -- but not every bank has a landmark building to sell. (And such sales may increase selling pressure on buyers who may be less eager to buy because of proposed tax law changes.)

Properties and mortgages. HWG owns property valued at \$66 mil. on historic cost but which appraisers said was worth \$105 mil. as part of the UMET-Atlantic merger. That amounts to 61¢ per diluted share over the \$1.11/sh. historic cost book value. HWG intends to accelerate property sales in its July 1985 fiscal year and has several deals in contract or negotiation. About 54% of properties are shopping centers, 23% apartment/residential/condominiums; 7% commercial/-industrial; 15% developed and raw land. HWG also owns \$41.8 mil. mortgages and other receivables earning 9%-12%.

Earnings & Taxlosses. Because the company reported combined earnings only from the date of merger, HWG reported only 9¢ EPS for an eight month stub period ending July 31; EPS was 1¢ in the Oct. qtr. A London broker sees about 17¢ pretax in fiscal 1985, and the Ladenburg, Thalmann report (above) sees 25-35¢ sh. We think this is ambitious and prefer to think in the 15¢ sh. area, although property sale gains could be materially different.

Many investors have asked why HWG doesn't reverse split its common to achieve a higher price. HWG says this is constantly under review but that it fears it might disrupt current market following. Moreover, it sees the preferred as a seven-unit common (there's no difference in dividend and both vote as a single class). The preferred is marginable at most firms, but the common's isn't. Some investors would like HWG to use its cash to buy back some common to boost EPS and asset values.

HWG has about \$66 mil. taxloss carryforward benefits available to shel-

RSR'S MASTER LIST OF ASSET PLAYS

Stock (Exch./Sym./Advice)

Reasons for recommendation; Outlook & Results

STABLE GROWTH, LESS VOLATILE PRICE

BAY FINANCIAL (NYSE-BAY)	Recom. 9/21/84 @ \$23.88 (Buy below \$23); Aggress. bldg.
BUY—Price \$24.25	program boosts asset value (now \$33.94) at 22%/yr.
CLEVETRUST REALTY (OTC-CTRS)	Recommended 1/27/84 @ \$14.25; Est. value \$23.25-\$25;
HOLD—Price \$19.50 bid	Div. up but EPS, CFS off 12% & 5% in Sept. FY; 30% holder considers calling specl. meeting to vote on liquidating
FIRST UNION RE (NYSE-FUR)	Recommended 3/23/84 @ \$21.75; 17% below \$33.44/sh. appr.
BUY—Price \$27.13	value; Est. 24% total annual return over 3 yrs. with appr. value then \$49.25, price est. \$34. Sept. Q oper. CFS 48¢ sh., up 17%, + 4¢ cap. gain; Called debts.
FOREST CITY ENT. (ASK-FCE.A)	Recom. 8/24/84 @ \$16.25; Retailer & invest. bldr.; Est. value
BUY—Price \$21.00	\$31-\$46; Giving holders right to buy into 2 prop. syndicates.
HOLLYWOOD PARK (OTC-HTRFZ)	Recomm. 11/16/84 @ \$18.50 bid; Significant Calif. land values
BUY—Price \$20.00 bid	at Hollywood Park and newly acquired Los Alamitos, est. \$30+/sh
HOTEL INVESTORS (NYSE-HOT)	Recommended 12/23/83 @ 22; Appr. value \$36.45 8/84; Div.
BUY—Price \$28.00	level; Dallas hotel hurts but stabilizes & new units aid EPS; Nov. Q oper. EPS 65¢ sh., up 48%; Aug. FY oper. EPS \$1.82, off 5%
NEWHALL LAND & FARM (NYSE-NHL)	Recom. 7/27/84 @ \$34.00; Est. value \$50/sh.; Devel. Valencia
HOLD—Price \$39.63	new town N. of Los Angeles; Converting to partnership.
B.F. SAUL REIT (NYSE-BFS)	Recom. 1/13/84 @ \$13.50; Mgr. now owns 53% & may buy more;
BUY—Price \$17.38	Value \$20.42; Sept. FY oper EPS d74¢; Sept. Q EPS d33¢
SOUTHWEST RLTY LTD (OTC-SSRPZ)	Recom. 4/27/84 @ \$14.50; Appr. value \$21.12 6/84; Pays
BUY—\$12.50 bid	\$1.32 tax sheltered + about 50% surplus ltd. part. depr.

RECOVERY/TURNAROUND, MORE VOLATILE PRICE

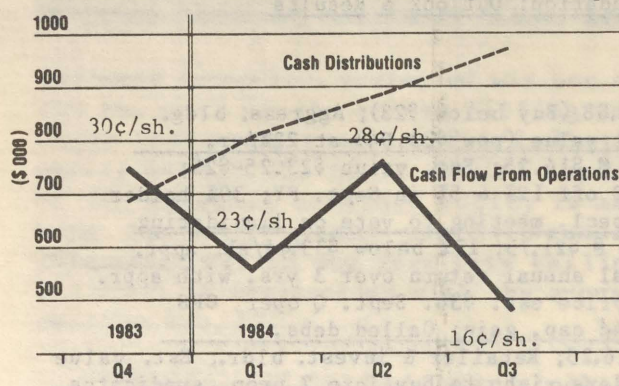
AMERICAN PACIFIC (OTC-APFC)	Recom. 2/10/84 @ \$4.75; Insiders hold 47% at \$5.50;
BUY—Price \$2.88 bid	Est. value \$7; Beginning 2,200 DU condo project in San Diego; June Q loss even at d6¢ sh.; 9 mon. d21¢
HALLWOOD GROUP (NYSE-HWG)	Recom. 5/25/84 @ \$1.00 com. (Pfd. \$6.88); Book \$1.27 dil.;
BUY—Prices \$1.25 & \$8.50	New co. combining two former REITs (Atlan. Metro & UMET) into prop. & invest. banking co.; Restructured Saxon Oil.
NATL. CAPTL. RE TRUST (OTC-NCETS)	Recom. 6/22/84 @ \$5.13; Appr. value \$8.29; Troubled REIT
BUY—Price \$5.00	hired new mgr.; Refinanced two props., extended defaulted loan; to sell ailing apts.; Paying loan proceeds as div.
SOUTHWARK CORP (NYSE-SM)	Recom. 10/19/84 @ \$7.63; Shs. near net tangible book val.
BUY—Price \$6.63	Play on continued ability to sell props. at good gains.
TRI-SOUTH INVEST (NYSE-TSI)	Recom. 2/24/84 @ \$6.00; Deltec Secur. owns 35%, ended
HOLD—Price \$5.88	standstill agmt.; Sold nonearning resort & apt. to build cash to about \$5.25/sh.; agrees to merge w/ Avalon Energy

ter future profits if and when earned, equal to \$1.03 sh. diluted. While HWG's principals have now restructured five major companies, their niche is still viewed as unconventional and carries an international mystique. Previous efforts have suffered from splintering profits into several pockets. In creating HWG, these principals have now agreed to put all new deals into HWG, and are attempting to buy the rest of Interallianz Hallwood so all future profits would flow clearly to HWG. After the runup, we'd buy the preferred on any dips for longer term.

Southwest Realty Ltd. is exactly the opposite of Hallwood: things are going poorly in its primary market, apartments in Texas, and the stock is getting kicked by the press. Barron's applied the cudgel in the Nov. 26 issue, calling SSRPZ "something less" than a perfect investment and questioning how long it could continue to pay its 11¢ monthly distribution (\$1.32/sh. yr.).

Operating cash flow per depository unit dipped to 16¢ sh. in the Sept. qtr., less than half the 33¢ payout. June quarter CFS was much stronger at 28¢ sh., vs. a very weak first qtr.

Southwest's Cash Flow-Payout Gap



Operating cash of 67¢ in the first nine months was only 68% of the 99¢ distribution. A Barron's graph told the story of this growing cash flow gap (above) to which we've added per-share numbers.

Part of SSRPZ' problem is that the number of shares outstanding at 3.44 mil. is about 29% higher than the average shares outstanding, thanks to buy-back of a large block last spring followed by a new unit offering. That translates into higher cash payouts in the future. Moreover, SSRPZ' general partners don't qualify for an incentive fee if distributions fall below \$1.32 in 1984 and \$1.40 in 1985-1987.

Which brings us back to that soggy Texas apartment market, about which we've written before (RSR Apr. 27 and July 27). SSRPZ occupancy has been holding at 91% (or 9% vacancy) and rents are down 1.6% for the year. Barron's cited 19% vacancy rates in Houston (SSRPZ's smallest market) and 15% in San Antonio (16% of SSRPZ units). Somehow Barron's never did get around to citing occupancy or vacancy figures for Dallas, where two-thirds of SSRPZ' cash flow originates, so the casual reader was left with distinct impression that the disaster vacancies cited were those for SSRPZ' major markets. Things may be tough but let's be fair, fellows.

SSRPZ incidentally laid out both good and bad for shareholders in its Sept. qtr. report, but somehow the good news failed to make Barron's. Some other developments: A Fort Worth apartment was sold in Oct. for more than

appraised value; minority interest in a business park was sold for \$441,000 cash, vs. zero cash flow contribution. But sale of the only Houston apartment did not close this past week. SSRPZ shs. are down 15% on the Barron's article; management has shown ability to do better than the market in the past and the worst seems behind in major markets. Management has decided to hold payout at \$1.32 for now. We'd not be a seller in here; shares remain a buy.

NEW LISTINGS IN RSR: TWO NEW REITS AND TWO DIVERSIFIED REALTY COMPANIES ADDED

We're adding the following stocks to RSR coverage with this issue: **Investors GNMA Mortgage-Backed Securities Trust, Inc.** is a REIT which invests in Govt. Nat. Mtg. Assn. (GNMA) mortgage-backed certificates purchased with proceeds of a series of fully collateralized sequential-pay bonds. INVG thus converts the uneven principal repayment stream from pools of home mortgages into a fixed-maturity bond favored by institutional investors. INVG profits from the spread between the two income streams plus any deviations in repayments on the mortgages. In this structure leverage is an enormous 99-to-1 ratio, with \$1.335 bil. collateralized bonds out over \$13.5 mil. equity (682,000 sh.). Backup collateral is \$1.332 bil. GNMA mortgage-backed certificates. Stated book works out to \$19.80/sh. but we've deducted \$19.47 deferred issuance and organization costs for 33¢ net tangible value. INVG earned \$7.88/sh. in the 9 mon. to Sept. but paid only \$2.02/sh. on a cash basis.

Strategic Mortgage Investors, Inc. sold 5 mil. sh. at \$20 last week and immediately became a major REIT. STM (on the NYSE) will operate in the mortgage securities markets, buying fixed rate single-family mortgage loans and pooling them for sale to an independent trustee for issuance of pass-through mortgage securities. STM intends to retain subordinated undivided interests of up to 10% in the underlying mortgage pools if there's positive interest spread (which would translate into a higher yield on its investment). STM

expects commitment fees for buying and pooling loans will be a significant income source. It is sponsored and managed by Genstar Mortgage Corp., subsidiary of Genstar Corp., Canadian conglomerate listed on the NYSE; it services \$2.5 bil. mortgages.

Abrams Industries Inc. (ABRI-OTC) is a diversified Atlanta realty company (Group 8) with sales and operating profits in four segments in the April FY:

	Sales	Op.Prof.
Contracting/engineering.	18%	20%
Real estate development.	41%	32%
Retail fixture mfg.....	27%	32%
Elec./Fire protection...	14%	16%

The segments work together: slightly under half of contracting volume is for third parties (base for the table), the rest for in-house real estate construction of commercial property, mainly shopping centers and condos. In residential, ABRI is involved in developing and selling 261 condos, and has bought 217 acres for future development. In commercial, it owns nine K mart discount department stores with 732,000 sq. ft.; has sold under sale/leasebacks 11 other K marts with 903,000 SF; and owns 11 parcels for future development. Store fixtures (display and check-out counters, cabinets, etc.) are manufactured mainly for discount store chains. Electrical and fire protection contracting is done mainly for industrial and commercial buildings.

ABRI earned \$1.23/sh. on \$40.7 mil. revenues in fiscal 1984, and 43¢ v. a small loss in the Oct. 6 mon. Book value is \$8.30/sh. following a 3-for-2 stock split payable Jan. 4. Shares are ranked C initially. While EPS has been volatile historically, shs. below book are sound longer term holds.

Congress Street Properties has been distributed as the holding company for the non-REIT assets of Eastover Corp.; EASTS now requalifies as a REIT. Congress Street (CSTP-OTC) holds major blocks of Parkway Co., Rockwood, Citizens Growth, plus a Jackson, Miss. office building. Eastover controls East-Group Properties, ASE-listed REIT.

Also added: **Major Realty (MAJR-OTC)** and **Princeville Development Corp. (PVDC-OTC)**; we'll review them next issue.

NEW HIGHS & LOWS: NEW HIGHS EKE OUT NARROW MARGIN, BEATING LOWS BY 14-TO-13

New 52-week highs and lows by category thru Dec. 19 are:

NEW HIGHS (14)

Gr.1-Prop. REITs (4): Eastover Corp., Hotel Inv., Penn. REIT, Washington REIT.

Gr.2-Comb. REITs (2): BankAmer. Rlty., Mtg. Growth.

Gr.3-Mtg. REIT (4): Health Care Fund, Lomas & Net. Mtg., MassMutual Mtg., Mtg. & Rl. (was PNB Mtg.).

Gr.6-Income Prop. (3): Koger Prop., B.F. Saul, Tierco Group

Gr.8-Diversified (1): Hallwood Gr. pfd.

NEW LOWS (13)

Gr.1-Prop. REITs (1): HMG Props.

Gr.5-Other Bldrs. (8): Covington Tech., Deltona, FPA Corp., Levitt Corp., Oriole Hms. A & B, Punta Gorda Isles, U.S. Capital.

Gr.7-Mtg. Bank (1): U.S. Mutual Fin.

Gr.9-Rlty. Serv. (1): Grubb & Ellis.

Gr.10-Mfg. Hsg. (2): Golden West, Zimmer.

APPRAISED ASSET VALUE COMPARISONS

QUALIFIED REITS	DATE	APPRAISED VALUE/		% PRICE TO APP.
		SHARE	VALUE	
BANKAMER RLTY	7/84	\$31.50a	94.9%	
CALIFORNIA REI#	12/83	\$12.89	86.3%	
CLEVETRUST RLTY	9/83	\$24.00b	80.2%	
COMMONWLT# RLTY	11/82	\$17.00	53.7%	
FIRST UNION RE#	6/84	\$33.44	81.1%	
HOTEL INVESTOR#	8/84	\$36.45	75.4%	
INTEL INCOME PR#	12/83	\$11.79	90.2%	
IRT PROPRY CO#	12/83	\$19.60b	95.7%	
JMB REALTY	8/83	\$19.34	93.1%	
MORTGAGE GROWTH	11/83	\$18.25b	95.9%	
NATL CAPITAL RE	12/83	\$8.29	60.3%	
NEW PLAN RL TR#	7/84	\$14.90	91.5%	
PROPERTY CAPITL	7/84	\$21.70	91.0%	
PROPTY TR AMER#	12/83	\$18.50b	74.3%	
RL EST INV PRP#	12/83	\$18.91	77.4%	
SANTA ANITA	12/83	\$23.98	88.6%	
SIERRA RE EQ82#	12/83	\$11.20	87.1%	
SIERRA RE EQ83#	12/83	\$10.27	102.2%	
USP RL EST INV#	12/83	\$15.57	77.1%	
WASH RE (WRIT)#	12/83	\$26.50b	87.7%	
WELLS FARGO M&E	6/84	\$30.31a	84.1%	
WESTERN INV RE#	12/83	\$17.98	95.3%	
AVERAGE			84.7%	
OPERATING COMPANIES				
BAY FINCL CORP	5/84	\$33.94	70.7%	
CARLSBERG CORP	5/84	\$17.83	43.5%	
FAIRFIELD COM	2/84	\$18.62	75.2%	
KOGER CO #	9/84	\$23.40	111.1%	
NEWHALL INV PR#	12/83	\$17.90	74.7%	
PERINI INV PR #	9/84	\$15.23	76.4%	
ROUSE CO #	12/83	\$40.13	86.9%	
SAUL (BF) REIT	9/83	\$20.42	84.5%	
SIERRA RE EQ82#	12/83	\$11.20	87.1%	
SIERRA RE EQ83#	12/83	\$10.27	102.2%	
SOUTHWEST RLTY#	12/83	\$21.12	59.2%	
UNICORP AMER	6/84	\$1.03	61.2%	
AVERAGE			77.7%	

Appraised market values of net assets (i.e., properties held) are either reported publicly by companies or estimated by RSR (see note b). Values are estimated by management and concurred in by independent appraisers except for: Koger Co. values set by independent appraisers; New Plan Realty, management estimate only. Share values are fully diluted. a-Entity has not revalued mortgages. b-Estimated by RSR; not confirmed by Trust or Co.

ADVISE	ST	LT	RANK	EXCH/ SYMBOL	GROUP	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE DEC 07	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)			
B	B	B	A	AMERICANA HOTEL	NY-AHR	2	5778	18.69	2.42	SEP	2.42	26.75	3.4	3.9	11.1	9.0	143.1	12.9	154.6	
H	B/H	A	B	BANKAMER RITY	NY-BRE	2	7732	16.08	2.40	OCT	3.67	29.88	7.2	17.7	8.1	8.0	185.8	22.8	231.0	
-	-	C	B	BRT REALTY	AS-BRT	3	6235	2.46	0.00	JUN	0.38	2.25	12.5	-28.1	5.9	0.0	91.5	15.4	14.0	
B	B	B	B	CALIFORNIA REI#	AS-CT	1	2825	9.41	1.24	SEP	0.94	11.13	-4.3	0.0	11.8	11.1	118.3	10.0	31.4	
-	-	*	B	CENTRAL MTG&RLY	OC-CMRTS	2	1375	0.42	1.87	JUN	0.58	0.50	0.0	0.0	0.9	374.0	119.0	138.1	0.7	
H	B	B	B	CENVILL INVSTR	NY-CVI	2	7007	13.26	2.60	SEP	2.53	20.88	1.2	-10.7	8.3	12.5	157.5	19.1	146.3	
H	H	A	A	CLEVETRUST RITY	OC-CTRS	2	2830	14.79	1.52	SEP	1.29	19.25	X	1.3	33.9	14.9	7.9	130.2	8.7	54.5
H	H	A	A	CNNWLTH FINC RE	OC-CFGRS	3	4103	9.83	1.20	NOV	1.36	8.50	3.0	-19.0	6.3	14.1	86.5	13.8	34.9	
-	-	C	B	COMMONWLTH RLT#	OC-CRTYZ	1	1468	9.29	0.68	AUG	2.08	9.13	X	1.1	10.7	4.4	7.4	98.3	22.4	13.4
H	H	*	B	CONSOL CAP INCO	OC-CCITS	3	13758	22.53	3.36	JUN	2.57	26.75	X	4.0	-7.8	10.4	12.6	118.7	11.4	368.0
B	B	B	B	CONSOL CAP RLY#	OC-CCPLS	2	5966	11.68	1.68	AUG	2.65	16.25	X	-4.4	-20.7	6.1	10.3	139.1	22.7	96.9
-	-	*	B	CONSOL CAP SPCL	OC-CCSTS	3	12708	22.31	3.36	JUN	3.07	26.00	X	0.1	-11.1	8.5	12.9	116.5	13.8	330.4
-	H	B	A	DEL-VAL FINCL	AS-DVL	3	3105	9.41	1.68	SEP	1.70	13.63	X	4.9	-5.2	8.0	12.3	144.8	18.1	42.3
H	B	A	A	EASTGROUP PROPS	AS-EGP	1	2707	23.26	6.96	AUG	10.89	37.13	7.6	-2.9	3.4	18.7	159.6	46.8	100.5	
-	H/B	B	B	EASTOVER CORP	OC-EASTS	2	1247	16.07	0.40	SEP	8.47	22.00	X	1.8	51.7	2.6	1.8	136.9	52.7	27.4
H	B	A	A	FEDERAL REALTY#	NY-FRT	1	7442	11.89	1.44	SEP	1.93	20.50	4.4	18.0	10.6	7.0	172.4	16.2	152.6	
H	B	A	A	FIRST UNION RE#	NY-FUR	1	11390	12.38	1.84	SEP	2.20	27.13	1.9	16.7	12.3	6.8	219.1	17.8	309.0	
H	H	A	A	FLORIDA GLF RL#	OC-FGLFS	1	3357	11.26	0.00	OCT	0.59	16.75	0.0	13.6	28.4	0.0	148.8	5.2	56.2	
H	H	B	B	GENERAL GROWTH#	NY-GGP	1	7560	10.84	0.60	SEP	1.06	30.00	X	-0.3	25.0	28.3	2.0	276.8	9.8	226.8
-	-	*	B	GOLDEN CORRAL	OC-GCRA	1	1320	9.03	0.00	---	0.00	10.25	0.0	2.5	0.0	0.0	113.5	0.0	13.5	
H	B	A	A	GOULD INVESTOR#	AS-GTR	1	1278	27.67	2.50	JUN	2.28	22.38	X	-1.5	1.7	9.8	11.2	80.9	8.2	28.6
-	B	A	A	HEALTH CARE FD	AS-HCN	3	2804	14.52	2.08	SEP	2.64	19.75	0.0	23.4	7.5	10.5	136.0	18.2	55.4	
H	H	C	A	HMG PROP INV	AS-HMG	1	1234	18.90	0.60	SEP	-0.85	12.63	X	-1.7	-25.7	0.0	4.8	66.8	-4.5	15.6
-	B	A	A	P-HOLLYWOOD PK RL	OC-HTRFZ	1	3834	8.12	1.60	SEP	2.31	20.00	X	2.0	-33.3	8.7	8.0	246.3	28.4	76.7
B	B	B	B	P-HOTEL INVESTOR#	NY-HOT	1	2647	21.56	2.60	NOV	2.94	27.50	4.2	20.2	9.4	9.5	127.6	13.6	72.8	
H	B	B	B	HUBBARD REI	NY-HRE	1	5807	24.09	2.20	JUL	2.25	24.63	2.6	7.1	10.9	8.9	102.2	9.3	143.0	
-	H	A	A	INTL INCOME PR#	AS-IIP	1	9098	8.75	0.88	JUN	0.91	10.63	-3.4	28.8	11.7	8.3	121.5	10.4	96.7	
-	-	*	B	INSTRS GNMA TR	OC-INVG	3	682	0.33	2.88	SEP	8.76	21.00	0.0	-4.5	2.4	13.7	6363.6	2654.5	14.3	
B	B	A	A	IRT PROPRY CO#	NY-IRT	2	3954	13.40	1.60	SEP	2.14	18.75	-1.3	15.7	8.8	8.5	139.9	16.0	74.1	
-	-	B	B	JMB REALTY	OC-JMBRS	2	1424	14.40	1.64	AUG	4.37	18.00	-2.7	20.0	4.1	9.1	125.0	30.3	25.6	
H	B	B	B	L&N HOUSING	NY-LHC	3	2200	23.77	2.77	SEP	2.90	25.75	-0.5	12.5	8.9	10.8	108.3	12.2	56.7	
H	B/H	A	A	LOMAS & NET MTG	NY-LOM	3	3700	28.22	3.36	SEP	3.36	31.25	2.9	7.3	9.3	10.8	110.7	11.9	115.6	
H	B	B	B	MASSMUTUAL MTG	NY-MML	3	6172	19.36	1.80	OCT	1.52	16.88	X	5.8	-2.9	11.1	10.7	87.2	7.9	104.2
H	B	B	B	MONY MTG INV	NY-MYM	3	9969	9.61	0.80	NOV	1.11	8.75	2.9	14.7	7.9	9.1	91.1	11.6	87.2	
H	B	A	A	MORTGAGE GROWTH	AS-MTG	2	4181	12.53	1.48	AUG	1.53	17.50	6.1	16.7	11.4	8.5	139.7	12.2	73.2	
-	-	*	B	MSA REALTY CORP	AS-SSS	1	2440	7.87	0.48	SEP	0.10	8.50	0.0	-2.9	85.0	5.6	108.0	1.3	20.7	
H	B/H	A	A	MTG & RITY TRST	NY-MTR	3	7796	15.78	1.76	SEP	1.70	16.88	3.1	9.8	9.9	10.4	107.0	10.8	131.6	
-	-	C	B	MUTUAL REIT #	OC-MUTRS	1	1453	11.24	0.25	JUN	0.92	9.50	0.0	-5.0	10.3	2.6	84.5	8.2	13.8	
-	B	C	A	NATL CAPITAL RE	OC-NCETS	1	3517	4.11	0.60	SEP	-0.68	5.00	0.0	11.1	0.0	12.0	121.7	-16.5	17.6	
H	B/H	A	A	NEW PLAN RL TR#	AS-NPR	1	11077	6.00	0.96	JUL	0.97	13.63	X	1.8	12.4	14.1	7.0	227.2	16.2	151.0
-	B	A	A	OLD DOMINION #	OC-ODRES	1	1696	8.34	0.84	SEP	2.13	10.25	0.0	2.5	4.8	8.2	122.9	25.5	17.4	
-	-	C	B	1 LIBERTY FIRE#	OC-TIRE	1	1513	14.51	1.68	SEP	1.71	14.25	0.0	14.0	8.3	11.8	98.2	11.8	21.6	
H	B	A	A	PENN REIT #	AS-PEI	1	2345	19.57	2.40	AUG	3.89	31.50	4.1	20.0	8.1	7.6	161.0	19.9	73.9	
-	-	B	B	PITTS & W VA RR	AS-PW	1	1510	6.07	0.56	SEP	-17.45	5.25	0.0	-22.2	0.0	10.7	86.5	-287.5	7.9	
-	-	C	B	PRESIDNTL RL-AL	AS-PDL.A	2	479	5.97	0.80	SEP	1.21	10.75	0.0	17.7	8.9	7.4	180.1	20.3	5.1	
B	B/H	C	B	PRESIDNTL RL-B#	AS-PDL.B	2	2776	5.97	0.80	SEP	1.21	7.63	1.7	1.7	6.3	10.5	127.8	20.3	21.2	
H	B	A	A	PROPERTY CAPITL	AS-PCL	2	8504	11.17	1.79	OCT	1.79	19.75	-1.0	13.2	11.0	9.1	176.8	16.0	168.0	
-	B	A	A	PROPTY TR AMER#	OC-PTAS	1	3674	10.40	1.20	SEP	0.94	13.75	1.9	3.8	14.6	8.7	132.2	9.0	50.5	
B	B	C	B	REALTY INCOME	AS-RIT	2	1510	9.85	0.00	OCT	0.79	7.00	0.0	0.0	8.9	0.0	71.1	8.0	10.6	
H	B/H	C	B	REALTY REFUND	NY-RRF	3	1377	17.48	1.35	OCT	1.35	13.13	1.9	15.4	9.7	10.3	75.1	7.7	18.1	
-	-	A	A	REIT OF CALIF	OC-REITS	1	1703	16.41	2.50	SEP	2.48	25.50	X	3.5	10.9	10.3	9.8	155.4	15.1	43.4
-	H	*	B	RES PENSION 1	OC-RPSAS	F	2192	22.36	2.00	JUN	2.26	22.00	-2.2	-17.8	9.7	9.1	98.4	10.1	48.2	
-	-	*	B	RES PENSION 2	OC-RPSBS	F	4447	17.30	1.68	JUN	2.01	18.00	-2.7	-10.0	9.0	9.3	104.0	11.6	80.0	
-	-	A	A	RL EST INV PRP#	AS-RPS	1	2023	10.92	1.72	SEP	2.24	14.63	0.0	-0.8	6.5	11.8	134.0	20.5	29.6	
H	B	A	A	P-SANTA ANITA	NY-SAR	1	6432	4.63	1.94	SEP	1.97	21.25	1.2	-1.8	10.8	9.1	459.0	42.5	136.7	
-	-	*	B	SIERRA RE EQ82#	OC-SRE82	F	1586	7.35	0.70	JUN	-0.10	9.75	0.0	-2.5	0.0	7.2	132.7	-1.4	15.5	
-	-	*	B	SIERRA RE EQ83#	OC-SRE83	F	3017	8.35	0.60	JUN	0.25	10.50	-4.5	5.0	42.0	5.7	125.7	3.0	31.7	
B	B	C	B	STORAGE EQUITS	NY-SEQ	1	2961	12.35	1.84	SEP	1.31	17.50	2.2	3.7	13.4	10.5	141.7	10.6	51.8	
-	-	*	B	STRATEGIC MTG	NY-STM	3	5010	18.49	0.00	---	0.00	20.00	0.0	0.0	0.0	0.0	108.2	0.0	100.2	
-	-	*	B	TRAVELERS REIT	OC-TRATS	F	2523	9.37	0.39	SEP	0.40	9.38	0.0	-6.2	23.5	4.2	100.1	4.3	23.7	
-	-	B	B	USP RL EST INV#	OC-USPTS	1	2500	9.73	0.91	SEP	1.45	12.00	2.1	37.1	8.3	7.6	123.3	14.9	30.0	
B	B	A	A	WASH RE (WRT)#	AS-WRE	1	5369	10.86	1.60	SEP	1.63	23.25	-0.6	31.9	14.3	6.9	214.1	15.0	124.8	
-	-	*	B	WEDGESTONE RITY	OC-WEDGS	3	1639	7.97	1.20	SEP	1.11	7.63	0.0	-17.5	6.9	15.7	95.7	13.9	12.5	
B/H	B	A	A	WELLS FARGO M&E	NY-WFM	2	6512	21.10	2.80	SEP	2.46	25.50	2.0	-6.9	10.4	11.0	120.9	11.7	166.1	
-	-	*	B	WESPAC INVSTR #	OC-WESPS	F	5968	6.96	1.08	MAY	0.10	9.75	0.0	-7.1	97.5	11.1	140.1	1.4	58.2	
-	B	A	A	WESTERN INV RE#	AS-WIR	1	2330	11.69	1.50	SEP	1.52	17.13	-0.7	14.2	11.3	8.8	146.5	13.0	39.9	

REALITY STOCK RANKINGS

BUY - SELL - HOLD ADVICES

REALITY STOCK REVIEW has developed its exclusive Rankings of real estate stocks to indicate relative quality of historic track record for investors. Rankings from "A" to "E", shown in the third column from left in the statistical tables above, are assigned based upon our analysis of five-year earnings and dividend trends, financial strength and liquidity, and management record. Being historical, Rankings are not based upon current price and thus are not intended as recommendations.

An asterisk (*) denotes stocks which cannot be ranked because of insufficient (generally less than two years) operating history in present form or incomplete data. (Z) denotes entities which currently retain Audit or its investment banking affiliate, Campbell & Dillmeier, for specific assignments; and entities for which we are acting as non-retainer intermediary for a publicly announced proposed transaction during the transaction's pendency. (L) denotes liquidating entities, which are not ranked. Rankings and Buy-Sell-Hold advices given without regard to whether the entity subscribes to RSR. Stock prices of REITs tend to be less volatile than stocks of operating companies, hence generally are better suited for longer-term.

Buy - Sell - Hold advices are summarized in the first two left-hand columns in the statistical tables, as "B" = Buy; "H" = Hold; "S" = Sell or Avoid. When two advices are combined (e.g., "B/H"), accent is upon the first advice. Advices are reviewed each issue and advice changes are underlined. Advices are classed as Short-Term ("S/T") for holding less than one year; and Long-Term ("L/T") for one to three years. No advices are given during pendency of a proposed equity-type security offering, or during pendency of an assignment involving Audit or its investment banking affiliate (see "Z" left). Advices are given for most widely held and active stocks, but we cannot advise at all times on thinner, less active stocks. No advices are given for convertibles, warrants or preferreds, which depend upon underlying common.

Advices are solely the responsibility of the publisher and may be changed at any time. The publisher cannot, by law, guarantee profitability of any advices given, but exercises diligence to monitor advices at publication. Since many realty stocks have relatively thin trading markets, investors generally find it advisable to place orders with limits.

Good REIT index

Companies and Business Trusts

December 21, 1984

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ADVICE	ST	LT	RANK	EXCH/ SYMBOL	GROUP	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE DEC 07	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)	
-	-	-	C	ABRAMS INDS INC	OC-ABRI	8	1185	11.97	0.36	OCT 1.67	9.50	0.0	0.0	5.7	3.8	79.4	14.0	11.3
-	-	-	L	ALA MOANA HI PR	NY-ALA	L	16729	1.57	2.50	JUN 0.82	4.00	3.1	68.1	4.9	62.5	254.8	52.2	66.9
H	B	C	AMER CENTURY CP	NY-ACT	7	4846	6.60	0.00	SEP 1.46	6.63	-5.3	-50.9	4.5	0.0	100.5	22.1	32.1	
H	H	C	AMER CONTNL	OC-AMCC	4	13099	3.54	0.00	SEP 0.74	5.88	-4.1	-46.5	7.9	0.0	166.1	20.9	77.0	
-	B	C	AMER PAC CORP	PS-APFC	5	6221	5.20	0.00	JUN -0.16	3.00	4.2	-35.2	0.0	0.0	57.7	-3.1	18.7	
-	-	-	C	AMER PACESETTER	PS-AECP	5	2009	10.48	0.00	SEP 0.02	6.38	0.0	13.3	319.0	0.0	60.9	0.2	12.8
H	H	C	AMER REALTY	AS-ARB	6	3506	6.98	0.00	JUN -0.14	7.25	0.0	11.5	0.0	0.0	103.9	-2.0	25.4	
H	H	C	AMREP CORP	NY-AXR	5	3663	9.67	0.00	OCT 2.20	13.25	-5.4	-17.7	6.0	0.0	137.0	22.8	48.5	
H	H	C	ANGELES CORP	AS-ANG	9	2950	2.52	0.00	SEP 0.10	7.38	-1.6	-42.1	73.8	0.0	292.9	4.0	21.8	
B	B	B	BAY FINCL CORP	NY-BAY	6	3098	18.55	0.20	NOV 1.27	24.00	-2.0	34.2	18.9	0.8	129.4	6.8	74.4	
-	-	-	C	BAYSWATER RLTY	OC-BAYS	7	871	9.39	2.50	JUL 0.65	4.50 X	27.3	800.0	6.9	55.6	47.9	6.9	3.9
B	B	C	BERG ENTERPRISES	NY-BRG	7	4769	4.93	0.00	SEP 1.64	13.88	2.8	13.3	8.5	0.0	281.5	33.3	66.2	
H	B	D	BRITISH LAND AM	NY-BLA	6	3188	4.02	0.00	SEP -0.25	3.88	0.0	-3.0	0.0	0.0	96.5	-6.2	12.4	
-	-	-	C	BROKERS MTG SVC	OC-BMTG	7	3850	4.14	0.00	JUL 0.97	7.88	5.1	-17.1	8.1	0.0	190.3	23.4	30.3
H	H	D	CAMPANELLI IND	AS-CAP	5	1993	5.10	0.00	OCT -0.77	2.13	-5.3	-51.4	0.0	0.0	41.8	-15.1	4.2	
-	-	-	L	CANAL RANDOLPH	NY-CRH	L	1547	5.25	13.00	JUL 54.15	26.63	1.9	25.3	0.5	48.8	507.2	1031.4	41.2
-	-	-	C	CARLSBERG CORP	OC-CRLS	8	4560	9.67	0.00	AUG 0.57	7.75	0.0	3.3	13.6	0.0	80.1	5.9	35.3
H	B	C	CENTENNIAL GP	AS-CEG	5	5918	1.55	0.00	SEP 0.03	1.00	0.0	-20.0	33.3	0.0	64.5	1.9	5.9	
H	B/H	B	CENTEX CORP	NY-CTX	4	19933	21.07	0.25	SEP 2.51	23.25 X	0.8	2.4	9.3	1.1	110.3	11.9	463.4	
-	-	-	* P-CENVILL DEVLPMT	OC-CNVLZ	5	4270	4.94	0.00	JUL 1.42	17.13	0.0	-4.8	12.1	0.0	346.8	28.7	73.1	
H	H	-	C	CHAMPION HOME	AS-CHB	10	35567	1.51	0.00	AUG 0.24	3.63	7.4	-17.1	15.1	0.0	240.4	15.9	129.1
-	-	-	B	CHEEZEM DEVLPMT	OC-CHMZ	5	2828	6.24	0.10	OCT -0.26	4.38	20.7	-14.6	0.0	2.3	70.2	-4.2	12.4
S	H	D	CHRISTIANA COS	NY-CST	5	2406	9.06	0.00	JUN 0.40	10.13	12.6	88.3	25.3	0.0	111.8	4.4	24.4	
-	-	-	C	CITIZENS GROWTH	OC-CITGS	8	569	14.42	0.48	OCT 3.76	17.25	-1.4	21.1	4.6	2.8	119.6	26.1	9.8
-	-	-	*	CONGRESS ST PRP	OC-CSTP	8	1247	10.17	0.00	---	9.50	-17.4	-17.4	0.0	0.0	93.4	0.0	11.8
H	B	B	COUNTRYWIDE CR	AS-CCR	7	7422	3.52	0.07	NOV 0.41	7.13	-1.7	-11.9	17.4	1.0	202.6	11.6	52.9	
H	B	B	COUSINS PROPS	OC-COUS	8	8565	6.75	0.32	JUN 4.27	18.25	5.0	80.7	4.3	1.8	270.4	63.3	156.3	
-	-	-	E	COVINGTON TECH	OC-COVT	5	13540	1.11	0.00	SEP 0.06	1.00	0.0	-51.5	16.7	0.0	90.1	5.4	13.5
H	H	-	E	DANAHER CORP	NY-DHR	8	10192	2.43	0.00	SEP -0.43	6.13	8.9	36.2	0.0	0.0	252.3	-17.7	62.5
-	-	-	D	DELTONA CORP	NY-DLT	5	5033	5.76	0.00	SEP -3.14	5.00	8.0	-44.4	0.0	0.0	86.8	-54.5	25.2
-	-	-	C	DEVEL CORP AMER	AS-DCA	5	5942	13.05	0.00	SEP 1.65	12.75	0.0	6.3	7.7	0.0	97.7	12.6	75.8
H	B/H	A	EQUITEC FNCL GP	NY-EFG	9	5205	-0.72	0.12	OCT 1.47	9.88 X	-2.2	-28.1	6.7	1.2	-0.0	-0.0	51.4	
B/H	B	A	FAIRFIELD COM	NY-FCI	5	10562	9.99	0.16	AUG 1.64	14.00	7.7	-1.8	8.5	1.1	140.1	16.4	147.9	
B	H	C	FED NATL MTG	NY-FNM	7	65837	17.46	0.16	SEP -0.21	16.75	11.7	-27.2	0.0	1.0	95.9	-1.2	1102.8	
-	-	-	B	FIRST CARO INV	OC-FCARS	8	885	22.74	0.50	SEP 3.01	19.38	0.0	21.1	6.4	2.6	85.2	13.2	17.2
H/B	B	B	FIRST CITY PROP	NY-FCP	5	8697	10.28	0.00	JUL 1.62	18.00	-1.4	38.5	11.1	0.0	175.1	15.8	156.5	
H	H/B	A	FLEETWOOD ENTER	NY-FLE	10	23582	9.81	0.36	OCT 2.53	25.75	9.6	-3.3	10.2	1.4	262.5	25.8	607.2	
-	-	-	C	FMI FINANCIAL	OC-FMIF	7	12547	3.54	0.02	JUN 0.34	5.50	-2.3	-26.7	16.2	0.4	155.4	9.6	69.0
H	B	B	FOREST CITY-A #	AS-FCE.A	6	3901	17.58	0.15	JUL 1.60	21.00	0.6	11.2	13.1	0.7	119.5	9.1	81.9	
H	B	B	FOREST CITY-B #	AS-FCE.B	6	4048	17.58	0.09	JUL 1.60	21.00	1.2	10.5	13.1	0.4	119.5	9.1	85.0	
-	B	C	FPA CORP	AS-FPO	5	3995	11.43	0.00	JUN 0.63	8.75	-2.8	-19.6	13.9	0.0	76.6	5.5	35.0	
-	-	-	E	FRASER RLTY GRP	OC-FRAS	7	1038	10.35	0.00	MAY -2.12	3.50	-6.7	-22.2	0.0	0.0	33.8	-20.5	3.6
-	-	-	C	GENERAL HOMES	OC-GHOM	4	15000	8.91	0.00	SEP 0.75	6.50	4.0	-33.3	8.7	0.0	73.0	8.4	97.5
H	B	C	GOLDEN WEST HMS	AS-GWH	10	3375	4.95	0.00	AUG -0.32	5.25	5.0	-40.9	0.0	0.0	106.1	-6.5	17.7	
H	H	C	GREAT AMER M&I	OC-GAMI	7	7030	14.67	0.00	JUL 0.52	13.25	-3.6	-20.9	25.5	0.0	90.3	3.5	93.1	
-	B	B	GRUBB & ELLIS	NY-GBE	9	13727	2.70	0.02	SEP 0.81	6.75 X	-9.7	-28.9	8.3	0.3	250.0	30.0	92.7	
B/H	B/H	B	GULFSTREAM L&D	AS-GSD	5	4647	21.03	0.30	SEP 2.03	24.63 X	1.9	4.8	12.1	1.2	117.1	9.7	114.5	
B	B	B	HALLWOOD GROUP	NY-HWG	8	34399	1.09	0.08	OCT 0.03	1.25	10.6	0.0	41.7	6.4	114.7	2.8	43.0	
-	-	-	*	HALLWOOD 7% PFD	NY-HWCPR	P	4255	8.00	0.56	OCT 0.03	8.50	4.6	6.3	283.3	6.6	106.3	0.4	36.2
-	-	-	C	HAMMOND CO	OC-THCO	7	2079	4.53	0.00	SEP 0.26	4.75	0.0	-53.7	18.3	0.0	104.9	5.7	9.9
-	B	D	HOMAC INC	OC-HOMC	5	1887	6.12	0.00	JUN -0.08	2.13	-5.3	-42.3	0.0	0.0	34.8	-1.3	4.0	
H/B	B/H	C	HOVNANIAN ENTR	AS-HOV	5	4488	5.12	0.00	AUG 1.40	13.25	7.0	17.8	9.5	0.0	258.8	27.3	59.5	
-	H	D	INDIANA FCL INV	OC-IFII	6	1154	7.63	0.00	SEP 0.98	4.25	0.0	2.9	4.3	0.0	55.7	12.8	4.9	
H/B	H/B	C	INTEGRATED RES	NY-IRE	9	6590	9.37	0.00	SEP 2.62	13.25	-2.8	-49.0	5.1	0.0	141.4	28.0	87.3	
-	B	B	JOHNSTOWN AMER	OC-JOAMS	9	11008	2.01	0.30	AUG 0.62	7.63	0.0	-25.6	12.3	3.9	379.6	30.8	84.0	
H	B	B	KAUFMAN & BROAD	NY-KB	8	11089	13.56	0.40	AUG 2.18	15.88	7.7	5.9	7.3	2.5	117.1	16.1	176.1	
B	B	A	KOGER CO #	AS-KGR	6	7650	9.94	2.20	SEP 1.28	26.00	4.5	12.4	20.3	8.5	261.6	12.9	198.9	
H	B	A	KOGER PROPS #	NY-KOC	6	6367	2.65	2.30	SEP 0.99	26.25	1.9	16.0	26.5	8.8	990.6	37.4	167.1	
B	B	C	LANDMARK LAND	AS-LML	8	7916	-9.09	0.32	SEP -0.07	15.25	11.9	21.4	0.0	2.1	-0.0	-0.0	120.7	
H	B	C	LEISURE+TECH	AS-LVX	5	3692	3.54	0.00	SEP 0.26	4.63	-2.5	-42.1	17.8	0.0	130.8	7.3	17.1	
H	H/B	B	LENNAR CORP	NY-LEN	4	9010	14.86	0.20	AUG 0.81	13.38	7.0	-22.4	16.5	1.5	90.0	5.5	120.6	
-	H	C	LEVITT CORP	AS-LVT	5	3400	5.61	0.00	SEP 1.05	5.25	-2.4	-43.2	5.0	0.0	93.6	18.7	17.9	
-	B	C	LIFETIME COMMUN	OC-LFTM	5	5310	6.32	0.00	JUL 0.20	6.25	2.0	2.0	31.3	0.0	98.9	3.2	33.2	
B	B	A	LOMAS & NET FIN	NY-LNF	7	14555	5.46	1.16	SEP 2.45	30.75	2.5	21.2	12.6	3.8	563.2	44.9	447.6	
-	-	-	C	MAJOR REALTY	OC-MAJR	5	5903	1.40	0.00	AUG 0.77	8.00	-3.0	0.0	10.4	0.0	571.4	55.0	47.2
-	-	-	C	MAXXUS INC	OC-XXUS	6	1786	5.57	0.10	AUG -0.05	5.38	0.0	26.6	0.0	1.9	96.6	-0.9	9.6
H/B	H/B	A	MDC CORP	NY-MDC	5	11936	4.73	0.32	SEP 1.28	12.00 X	6.2	0.0	9.4	2.7	253.7	27.1	143.2	
B	B	B	MISSION WEST PR	AS-MSW	5	1750	10.94	0.24	AUG 1.35	8.00	3.2	6.7	5.9	3.0	73.1	12.3	14.0	
-	B	C	MIW INV WASH	OC-MINVS	8	3786	5.43	0.00	SEP 0.46	5.00	0.0	2.5	10.9	0.0	92.1	8.5	18.9	
-	-	-	D	NATIONAL HOMES	NY-NHX	10	6904	2.65	0.00	SEP -0.21	2.75	0.0	-37.2	0.0	0.0	103.8	-7.9	19.0
-	-	-	C	N														

Began 7
 added 3
 Del. 0
 End 10

ADVICE	ST	LT	RANK	EXCH/	GROUP	SHARE	BOOK	ANN	-EARNINGS--	LAST	% CHANGE	FROM-	P/E	ANN	% PR	RETURN	MKT VA
				SYMBOL		(000)	VALUE	DIV	MON	12 MO	DEC 07	JAN 1	RATIO	YIELD	TO BK	ON BK	(ML\$)
H	H	C		ORIOLE HOMES-B	AS-OHC.B	5	1981	8.93	0.20	SEP	0.63	5.50	-10.3	-17.0	8.7	3.6	61.6
-	-	C		PARKWAY COMPANY	OC-PKWY	5	1383	20.67	0.00	SEP	2.49	18.50	0.0	-1.3	7.4	0.0	89.5
H/B	B	C		PEARCE URSTDT-A	AS-PUM	9	710	11.94	0.12	AUG	1.61	6.75	0.0	1.8	4.2	1.8	56.5
-	-	*		PERKINS INV PR #	AS-PNV	6	3293	-2.32	0.00	SEP	0.32	-11.63	-4.1	-5.1	36.3	0.0	-0.0
-	-	*		PRINCEVILLE DEV	OC-PVDC	5	8740	3.26	0.00	AUG	0.08	4.50	38.5	38.5	56.3	0.0	138.0
-	-	C		PROP INV COLO	OC-PRCLS	5	4945	2.45	0.00	JUN	-0.25	1.88	0.0	-40.5	0.0	0.0	76.7
H	H/B	A		PULTE HOME CP	NY-PHM	4	23507	6.01	0.12	SEP	0.89	18.25	X	17.0	-26.3	20.5	0.7
H	H/B	D		FUNTA GORDA	AS-PGA	5	2787	4.10	0.00	JUN	-1.89	5.25	2.3	-35.4	0.0	0.0	128.0
-	-	C		RADICE CORP	OC-RADC	5	5292	3.57	0.00	SEP	1.24	9.25	8.8	-13.0	7.5	0.0	259.1
-	-	C		Y READING CO	OC-RDGC	6	3392	10.85	0.00	SEP	1.78	18.25	-1.4	10.6	10.3	0.0	168.2
-	-	C		REALAMERICA CO	OC-RACO	6	3600	3.33	0.00	AUG	-0.32	3.50	0.0	-6.7	0.0	0.0	105.1
-	H	B		REALTY INDS #	OC-REAT	6	800	24.71	0.10	JUL	1.66	33.50	0.0	81.1	20.2	0.3	135.6
H	B/H	B		REDMAN INDUST	NY-RE	10	9753	6.78	0.30	SEP	0.68	9.50	7.0	-44.9	14.0	3.2	140.1
-	B	C		RIVER OAKS INDS	NY-ROL	10	10381	1.19	0.00	SEP	0.42	6.00	11.5	-4.0	14.3	0.0	504.2
-	-	*		ROCKWOOD NATL	PS-RNC	5	9391	1.31	0.00	SEP	0.21	2.00	0.0	6.4	9.5	0.0	152.7
H	H/B	A		ROUSE CO #	OC-ROUS	6	15152	10.75	0.92	JUN	0.88	34.88	X	-3.8	9.9	39.6	2.6
H	H	B		RYAN HOMES	NY-RYN	4	6810	18.53	1.00	SEP	1.88	25.00	2.5	-28.6	13.3	4.0	134.9
H	H/B	A		RYLAND GROUP	NY-RYL	4	6033	10.79	0.60	SEP	1.70	21.13	9.8	-20.7	12.4	2.8	195.8
B	B	B		SAUL (BF) REIT	NY-BFS	6	5719	4.79	0.20	SEP	-0.87	17.25	5.3	27.8	0.0	1.2	360.1
H	B/H	B		SECURITY CAPITL	AS-SCC	7	6129	-9.99	0.16	SEP	1.66	13.00	8.3	28.3	7.8	1.2	-0.0
H	H/B	B		SKYLINE CORP	NY-SKY	10	11217	10.71	0.48	NOV	0.71	15.88	X	4.0	-10.5	22.4	3.0
-	-	D		SO ATLANTIC FIN	OC-SOAF	6	2973	1.76	0.00	SEP	-1.14	2.88	0.0	9.5	0.0	0.0	163.6
-	H/S	B		SOUTHLAND FINCL	OC-SFIN	6	16701	14.14	0.52	SEP	1.25	29.25	-1.7	8.3	23.4	1.8	206.9
B	B	B		SOUTHWEST CORP	NY-SM	8	34887	10.08	0.20	SEP	1.58	6.75	5.8	-31.7	4.3	3.0	67.0
-	B	B		SOUTHWEST RLTY	OC-SSRFZ	6	3442	7.90	1.32	SEP	1.09	12.50	-2.0	6.4	11.5	10.6	158.2
H	H	C		STARRETT HSG	AS-SHO	5	5256	3.17	0.00	SEP	0.81	15.25	1.7	6.1	18.8	0.0	481.1
H	B	C		STD PACIFIC	NY-SPF	4	5017	14.47	0.40	SEP	2.18	17.00	5.4	-2.9	7.8	2.4	117.5
-	B	B		SUNLITE INC	OC-SNLT	8	4420	5.09	0.00	JUN	0.11	3.63	7.4	-14.6	33.0	0.0	71.3
Z	Z	Z		SUNSTATES CORP	NY-SST	6	2410	13.09	0.00	SEP	2.24	6.38	0.0	-22.7	2.8	0.0	48.7
H	H	C		THACKERAY CORP	NY-THK	8	5107	-1.26	0.00	SEP	-0.15	7.13	9.7	-22.9	0.0	0.0	-0.0
-	H	C		TIERCO GP INC	OC-TIER	6	2101	10.64	0.00	JUN	-0.23	7.25	3.6	38.1	0.0	0.0	68.1
H	H	B		TRANSAMER RLTY	NY-TAR	6	2841	13.82	1.00	AUG	-0.55	11.63	1.1	-2.1	0.0	8.6	84.2
-	-	C		TRECO INC	OC-TREC	8	6194	4.45	0.00	SEP	0.90	2.63	0.0	-19.1	2.9	0.0	59.1
H/B	B	C		TRI-SOUTH INV	NY-TSI	7	6716	8.55	0.00	SEP	1.02	6.00	-4.0	-4.0	5.9	0.0	70.2
-	-	D		TRITON GROUP	OC-TRRO	8	40498	-0.38	0.00	AUG	-0.14	1.50	-3.8	-8.0	0.0	0.0	-0.0
Z	Z	Z		UNICORP AMER	AS-UAC	6	110659	0.45	0.00	SEP	-0.06	0.63	0.0	-19.2	0.0	0.0	140.0
-	-	*		UNICORP B PFD	AS-UAC.B	P	2196	12.33	0.75	SEP	-0.06	12.50	1.4	1.4	0.0	6.0	101.4
-	-	C		UNIVERSAL DEV	OC-UDCO	5	6015	6.13	0.10	SEP	1.57	13.00	8.3	10.6	8.3	0.8	212.1
-	-	*		US CAPITAL CORP	OC-USCC	5	8270	3.39	0.00	JUL	0.55	3.00	-20.0	-73.3	5.5	0.0	88.5
H	H/B	B		U S HOME CORP	NY-UH	4	34530	7.74	0.08	SEP	-0.87	6.25	8.7	-45.7	0.0	1.3	80.7
-	-	C		US MUTUAL FINCL	OC-USMR	7	4232	4.51	0.40	SEP	-0.06	3.50	16.7	-46.2	0.0	11.4	77.6
Z	Z	Z		US SHELTER CORP	OC-USSS	9	9745	3.14	0.12	SEP	0.19	3.63	0.0	-35.6	19.1	3.3	115.6
-	-	*		VAN SCHAAK & CO	OC-VANS	9	1397	11.93	0.15	SEP	0.43	9.00	2.9	-18.2	20.9	1.7	75.4
-	-	C		VQUEST INC	OC-VYQT	10	3838	5.30	0.00	AUG	0.69	5.25	-2.4	-16.0	7.6	0.0	99.1
H	H	C		WASHINGTON CP	PH-TWC.X	5	2170	4.27	0.00	SEP	0.71	2.38	-4.8	-9.5	3.4	0.0	55.7
B	B	C		WEBB (DEL E) CP	NY-WBB	8	7670	13.75	0.20	SEP	1.49	19.00	2.0	0.0	12.8	1.1	138.2
-	-	C		WISCONSIN REIT	OC-WREIS	8	1553	7.16	0.00	JUN	-0.87	5.13	0.0	10.8	0.0	0.0	71.6
H	B	B		WRITER CORP	OC-WRTC	5	4120	8.62	0.15	SEP	0.56	7.25	-9.4	-38.3	12.9	2.1	84.1
H	H/B	B		ZIMMER CORP	AS-ZIM	10	4654	5.44	0.10	SEP	0.35	6.63	12.8	-49.0	18.9	1.5	121.9

REALTY STOCK GROUP ACTION SUMMARY

This table summarizes averages of fundamental data for 10 groups developed by REALTY STOCK REVIEW to aid investors. Descriptions of each group and its key number are at left below; the key number showing the group into which each stock falls is

shown following the stock symbol on Pages 6-8. For quick reference, stocks are listed alphabetically in two major categories: Qualified real estate investment trusts (REITs).....Page 6 Operating companies and business trusts (former REITs)...Page 7-8

GROUP NUMBER & NAME	DIV	NON-DIV	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV	EARN	LAST PRICE	% CHNG	FROM-	P/E	ANN	% PR	RETURN	MARKET
							12 MO	DEC 07	DEC 07	JAN 1	RATIO	YIELD	TO BK	ON BK	VALUE
1 PROPERTY REITS	28	2	30	3817	12.37	1.47	1.16	17.42	1.5	6.3	15.1	8.4	140.8	9.3	2167.4
2 PROP & MFG COMB REITS	14	1	15	4085	12.36	1.59	2.47	17.36	1.5	8.9	7.0	9.1	140.5	20.0	1255.3
3 MORTGAGE REITS	13	2	15	5417	14.80	1.84	2.24	17.21	1.9	0.3	7.7	10.7	116.2	15.1	1485.4
F FINITE-LIFE REITS	6	0	6	3289	11.95	1.03	0.82	13.23	-1.9	-9.0	16.1	8.1	110.7	6.9	257.3
4 MAJOR HOMEBUILDERS	7	2	9	14771	11.77	0.29	1.18	15.18	5.9	-22.4	12.9	1.9	129.0	10.0	1786.4
5 OTHER BLDG/DEVELOPERS	9	29	38	4963	6.56	0.05	0.54	7.85	1.5	-8.5	14.5	0.6	119.7	8.3	1514.9
6 LCMC PROP BLDG/OWNR	13	10	23	9227	11.52	0.43	0.70	14.87	-0.1	14.5	21.1	2.9	129.0	6.1	2159.2
7 MORTGAGE BANKER/FINANCE	7	14	21	10137	6.26	0.32	0.64	9.79	3.4	-11.1	15.2	3.3	156.3	10.3	2046.2
8 DIVERSIFIED RLTY/HOLDING	10	9	19	10194	7.31	0.18	1.05	11.07	2.5	12.0	10.6	1.6	151.5	14.3	1535.9
9 RLTY SVCS/SYNDICATOR	6	2	8	6417	5.36	0.10	0.98	8.03	-1.8	-32.8	8.2	1.3	149.8	18.3	390.0
10 MANUFACTURED HOUSING	4	5	9	12141	5.37	0.14	0.57	8.96	6.9	-23.0	15.8	1.5	166.8	10.5	1157.1
P PREFERRED STOCKS	2	3226	10.17	0.66	-0.01	10.50	2.6	3.3	-700.0	6.2	103.3	-0.1	63.7		
L LIQUIDATING COS	2	9138	3.41	7.75	27.49	15.32	2.1	29.6	0.6	50.6	449.1	806.0	108.1		
OVERALL AVERAGE	190	7025	9.61	0.67	1.07	12.84	1.7	-1.2	12.0	5.3	133.6	11.2	15926.9		
DOW JONES INDUSTRIALS					108.11	1211.57	4.2	-3.7	11.2	4.8					

NOTE: LIQUIDATING COMPANIES & PREFERRED SHARES INCLUDED ONLY IN COMPANY AND MARKET VALUE AGGREGATES; NOT INCLUDED IN OVERALL AVERAGES.

NOTES TO COMPARATIVE STATISTICS PAGES 6-8

Facts are displayed on a per-share basis to facilitate comparison of stocks within industry groups, which are numbered as in the Fundamental Averages table above. Only historical data, or annualizations of latest quarterly data, are used and thus earnings should not be read as estimates.

Annualized Dividend and Yield: The posted annual dividend rate is used for all entities except for many qualified REITs. These REITs pay their approximate earnings or net cash flow for each quarter instead of an annual rate, since REITs must pay 95% of earnings to shareholders in order to qualify for exemption from Federal income taxes. Since these REIT dividends may vary from quarter to quarter, the "Annualized Dividend" used is the latest quarterly (or monthly) payout multiplied by four (or 12), adjusted for any capital gains or special payouts; the rate is not guaranteed. Exceptions are listed below.

Earnings and Price/Earnings Ratio: Except for cash flow companies (see below), earnings shown are the trailing 12 months' earnings per share. Book value per share is tangible net worth per share after deducting intangibles (goodwill, unamortized debt discount and expense, etc.); it does not reflect appreciation in asset values for which see Appraised Values table, page 5.

Cash flow entities are denoted with the symbol "g" after their name and are entities for whom net cash flow provides the most meaningful measure of results. For them, trailing net cash flow (calculated as net income plus depreciation less mortgage amortization)

is substituted for earnings. Accumulated depreciation is added to historic book value for consistency.

Arrows denote new earnings or dividends or Ranking changes and show direction. Operating income only is used for comparing REITs. # = Net cash flow. See above.

-0.0 in "Price to book Value" indicates negative book value.

Bid prices are shown for all over-the-counter stocks.

Exchanges: PH=Philadelphia SE; BO=Boston SE; PS=Pacific SE.

VJ = in bankruptcy reorganization; Y = Reorganized in Ch. XI.

P = Paired stock. \$ = Appraised value reported; see page 5.

Trailing 12 months EPS or cash flow include non-recurring income.

Trailing 12 months dividends for: REIT of California, USF REIT,

Realty ReFund, Property Capital Trust, Lomas

& Nettleton Mtg, L&N Housing, Americana HOTELS

Commonwealth Realty Trust.

TRECO Inc diluted book value and EPS.

BRT Realty EPS for 13-mon. period due to fiscal year change.

GROUP CHANGE: Eastover Corp to qualified Combination REIT.

NAME CHANGE: PNB Mortgage & Realty to Mortgage & Realty Trust.

DELETED: Dominion Mortgage & Realty; Eastpark Rlty; Novus Property;

presley cos; reit america inc; Wincorp Realty.

INSERTED: Investors GNMA Mtg-Backed Securities Trust, Inc.;

Abrams Industries Inc.; Major Realty Corp.;

Congress Street Properties; Hallwood 7% Preferred;

Princeton Development; Strategic Mortgage Investors;

Unicorp Series B Preferred.

ADJUSTED: Property Capital 2-for-1 split paid 12/14/84.

Begin
add
Delete
End
10